

## **Amendment #2607 – Eliminate overlapping unemployment and disability benefits**

This amendment requires the Social Security Administration (SSA) to temporarily suspend Disability Insurance (DI) benefits during any month in which a beneficiary also receives Unemployment Insurance (UI) benefits.

### **The Unemployment and Disability Insurance trust funds “face serious fiscal sustainability challenges,” according to the Government Accountability Office (GAO).**

Just two years from now, the Social Security Trustees predict the DI Trust Fund will be exhausted.

Yet, each year the UI and DI programs pay out hundreds of millions of dollars in overlapping benefits.

### **These programs were designed to serve separate populations.**

The DI program was designed as a safety net of last resort for disabled Americans who cannot work. On the other hand, the UI program was designed as a safety net for unemployed Americans who are *actively seeking work*

Nonetheless, inconsistent eligibility requirements allow individuals to be simultaneously classified as both “able and available for work” under the UI program and “disabled” under the DI program.

In fact, neither the SSA nor the Department of Labor has any mechanism to identify overlapping DI and UI payments.

### **In fiscal year 2010, 117,000 individuals received concurrent DI and UI benefits totaling more than \$850 million, according to GAO.<sup>1</sup>**

“One individual GAO selected for further investigation received over \$62,000 in overlapping benefits in a [*single*] year,” according to GAO’s July 2012 report.<sup>2</sup>

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<sup>1</sup> Government Accountability Office, “Overlapping Disability and Unemployment Benefits Should be Evaluated for Potential Savings,” July 2012, <http://www.gao.gov/assets/600/593203.pdf>.

<sup>2</sup> Ibid.

These overlapping payments cost the DI program over \$281 million and the UI program more than \$575 million that year.

**Absent new legislation, SSA cannot address these overlapping payments.**

Although SSA is required to reduce DI benefits for individuals receiving certain other government benefits (such as workers' compensation), "no federal law authorizes an automatic reduction or elimination of overlapping DI and UI benefits," according to GAO.

**President Obama proposed closing this "loophole" in his FY 2014 budget and described doing so as a "critical step to save money."**

Giving SSA the authority to identify and reduce overlapping benefits would save taxpayers approximately \$5 billion over the next 10 years and help ensure the UI and DI programs can continue to serve those who rely on them.

This bipartisan amendment is cosponsored by Senators Joe Manchin, Angus King, and Jeff Flake.